



Date: September 15, 2005

TO: Owners and Management Agents of LIHTC Developments

FROM: Ted S. Rozeboom, Director
Office of Legal Affairs

Sherri Davio, Compliance Manager
Office of Legal Affairs

RE: LIHTC Program-Temporary Housing for Households Displaced by Hurricane Katrina

In response to the devastation caused by Hurricane Katrina, the US Treasury Department and the Internal Revenue Service (IRS) have temporarily suspended certain requirements under Internal Revenue Code Section 42 that would prohibit owners from providing housing to displaced individuals who do not qualify as low-income. IRS Notice 2005-69 was issued on September 9, 2005 and waives the income limits and non-transient use rules for LIHTC units until September 30, 2006. This Notice is attached for your review.

Owners of LIHTC developments must obtain approval from MSHDA to provide temporary housing to individuals displaced by Hurricane Katrina. Attached is the required form to request approval. Once a development has received MSHDA approval, the owner must list the development on the National Emergency Resource Registry (NERR) maintained by the Department of Homeland Security at www.SWERN.gov. In addition, Affidavit of Displacement forms (See Attached) as well as Temporary Housing Lease Addendums (soon to be released) will also be required.

Please note that the temporary suspension of these LIHTC requirements is **not available** for LIHTC developments in Michigan that are in the **first year of the credit period**, as defined in Internal Revenue Code Section 42(f)(1).

All other LIHTC rules and requirements will continue to apply during the temporary housing of individuals displaced by the hurricane. (i.e. record keeping, certifications, rent restrictions).

Tax Credit properties with multiple funding sources (i.e. Tax Exempt Bonds, HOME, CDBG) wishing to assist evacuees must adhere to the regulations of the most restrictive program, which may require additional waivers.

If you have questions regarding the LIHTC procedures for temporary housing of individuals displaced by the hurricane, or would like to request approval for temporary housing for a LIHTC development, please contact Cassandra Brown at 517-241-2560 or by email at browncas@michigan.gov.

LIHTC temporary housing forms will also soon be available on the MSHDA website at the following address: http://www.michigan.gov/mshda/0,1607,7-141-8002_26576---,00.html.

The following Asset Management staff are available to answer your non-LIHTC related questions regarding temporary housing of individuals.

- Donna McMillan, MSHDA Director of Asset Management (313) 456-3579 (Detroit Office) or (517) 373-9165 (Lansing Office)
- Kimberly Horton, MSHDA Asset Manager (517) 373-8049
- Willa Ray, MSHDA Asset Manager (313) 456-3583
- Michele Whitmore, MSHDA Asset Manager/ Departmental Specialist (313) 456-3585